

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES  
ADMINISTRATION**

**NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

**48 CFR Chapter 1**

[Docket No. FAR 2018–0001, Sequence No. 1]

**Federal Acquisition Regulation;  
Federal Acquisition Circular 2005–97;  
Introduction**

**AGENCY:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Summary presentation of a final rule.

**SUMMARY:** This document summarizes the Federal Acquisition Regulation (FAR) rule agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) in this Federal Acquisition Circular (FAC) 2005–97. A companion document, the *Small Entity Compliance Guide* (SECG), follows this FAC. The FAC, including the SECG, is available via the internet at <http://www.regulations.gov>.

**DATES:** For effective date see the separate document, which follows.

**FOR FURTHER INFORMATION CONTACT:** Ms. Cecelia Davis, Procurement Analyst, at 202–219–0202 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755. Please cite FAC 2005–97, FAR case 2018–001.

**RULE LISTED IN FAC 2005–97**

Subject	FAR case	Analyst
Trade Agreements Thresholds.	2018–001	Davis.

**SUPPLEMENTARY INFORMATION:** A summary for the FAR rule follows. For the actual revisions and/or amendments made by this FAR Case, refer to the specific item number and subject set

forth in the document following this item summary. FAC 2005–97 amends the FAR as follows:

**Trade Agreements Thresholds (FAR Case 2018–001)**

This final rule amends the Federal Acquisition Regulation to adjust the thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements as determined by the United States Trade Representative, according to predetermined formulae under the agreements.

Dated: January 18, 2018.

**William F. Clark,**

*Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy.*

Federal Acquisition Circular (FAC) 2005–97 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005–97 is effective January 24, 2018.

Dated: January 11, 2018.

**Shay D. Assad,**

*Director, Defense Pricing/Defense Procurement and Acquisition Policy*

Dated: January 18, 2018.

**Jeffrey A. Koses,**

*Senior Procurement Executive/Deputy CAO, Office of Acquisition Policy, U.S. General Services Administration.*

Dated: January 9, 2018.

**William P. McNally,**

*Assistant Administrator, Office of Procurement National Aeronautics and Space Administration.*

[FR Doc. 2018–01198 Filed 1–23–18; 8:45 am]

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**DEPARTMENT OF DEFENSE**

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**NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

**48 CFR Parts 22, 25, and 52**

[FAC 2005–97; FAR Case 2018–001; Docket No. 2018–0004; Sequence No. 1]

RIN 9000–AN60

**Federal Acquisition Regulation; Trade Agreements Thresholds**

**AGENCY:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to incorporate revised thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements, as determined by the United States Trade Representative.

**DATES:** *Effective Date:* January 24, 2018.

**FOR FURTHER INFORMATION CONTACT:** Ms. Cecelia L. Davis, Procurement Analyst, at 202–219–0202, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755. Please cite FAC 2005–97, FAR Case 2018–001.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Approximately every two years, the thresholds for the World Trade Organization Government Procurement Agreement (WTO GPA) and the free trade agreements (FTAs) are adjusted according to predetermined formulae under the agreements. On December 11, 2017 (82 FR 58248), the United States Trade Representative published new procurement thresholds. These thresholds became effective on January 1, 2018. The United States Trade Representative has specified the following new thresholds:

	Supply contract (equal to or exceeding)	Service contract (equal to or exceeding)	Construction contract (equal to or exceeding)
Trade agreement			
WTO GPA .....	\$180,000	\$180,000	\$6,932,000
FTAs:			
Australia FTA .....	80,317	80,317	6,932,000
Bahrain FTA .....	180,000	180,000	10,441,216

Trade agreement	Supply contract (equal to or exceeding)	Service contract (equal to or exceeding)	Construction contract (equal to or exceeding)
CAFTA–DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) .....	80,317	80,317	6,932,000
Chile FTA .....	80,317	80,317	6,932,000
Colombia FTA .....	80,317	80,317	6,932,000
Korea FTA .....	100,000	100,000	6,932,000
Morocco FTA .....	180,000	180,000	6,932,000
NAFTA:			
—Canada .....	25,000	80,317	10,441,216
—Mexico .....	80,317	80,317	10,441,216
Oman FTA .....	180,000	180,000	10,441,216
Panama FTA .....	180,000	180,000	6,932,000
Peru FTA .....	180,000	180,000	6,932,000
Singapore FTA .....	80,317	80,317	6,932,000
Israeli Trade Act .....	50,000	.....	.....

**II. Discussion and Analysis**

This final rule implements the new thresholds in FAR subpart 25.4, Trade Agreements, and other sections in the FAR that include trade agreements thresholds (*i.e.*, 22.1503, 25.202, 25.603, 25.1101, and 25.1102).

In addition, changes are required to the provision at FAR 52.204–8, Annual Representations and Certifications, and clause at FAR 52.222–19, Child Labor—Cooperation with Authorities and Remedies, with conforming changes to the clause dates in 52.212–5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items, and 52.213–4, Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items).

**III. Publication of This Final Rule for Public Comment Is Not Required by Statute**

“Publication of proposed regulations,” 41 U.S.C. 1707, is the statute which applies to the publication of the FAR. Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it only adjusts the thresholds according to predetermined formulae to adjust for changes in economic conditions, thus maintaining the status quo, without significant effect beyond the internal operating procedures of the Government.

**IV. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items**

This rule amends the FAR to revise thresholds for application of the WTO GPA and the FTAs. The revisions do not add any new burdens or impact applicability of clauses and provisions at or below the simplified acquisition threshold, or to commercial items.

**V. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

**VI. Executive Order 13771**

This rule is not subject to E.O. 13771, Reducing Regulation and Controlling Regulatory Costs, because this rule is not a significant regulatory action under E.O. 12866.

**VII. Regulatory Flexibility Act**

The Regulatory Flexibility Act does not apply to this rule, because this final rule does not constitute a significant FAR revision within the meaning of FAR 1.501–1, and 41 U.S.C. 1707 does

not require publication for public comment.

**VIII. Paperwork Reduction Act**

The Paperwork Reduction Act (44 U.S.C. chapter 35) does apply to this final rule, since the rule affects the prescriptions for use of the certification and information collection requirements in the provisions at 52.225–4 and 52.225–6 and the clauses at FAR 52.225–9, 52.225–11, 52.225–21, and 52.225–23, currently approved under OMB Control Number 9000–0024, entitled “Buy American Act, Trade Agreements, and Duty-Free Entry.” The impact, however, is expected to be negligible, because the threshold changes are in line with inflation and maintain the status quo. As a result, there is no change to the estimated burden.

**List of Subjects in 48 CFR Parts 22, 25, and 52**

Government procurement.

Dated: January 18, 2018.

**William F. Clark,**

*Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy.*

Therefore, DoD, GSA, and NASA amend 48 CFR parts 22, 25, and 52 as set forth below:

■ 1. The authority citation for 48 CFR parts 22, 25, and 52 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

**PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS**

**22.1503 [Amended]**

■ 2. Amend section 22.1503 by—  
 ■ a. Removing from paragraph (b)(3) “\$77,533” and adding “\$80,317” in its place; and

■ b. Removing from paragraph (b)(4) “\$191,000” and adding “\$180,000” in its place.

**PART 25—FOREIGN ACQUISITION**

**25.202 [Amended]**

■ 3. Amend section 25.202 by removing from paragraph (c) “\$7,358,000” and adding “\$6,932,000” in its place.

■ 4. Amend section 25.402 by revising the table in paragraph (b) to read as follows:

**25.402 General.**  
\* \* \* \* \*  
(b) \* \* \*

Trade agreement	Supply contract (equal to or exceeding)	Service contract (equal to or exceeding)	Construction contract (equal to or exceeding)
WTO GPA .....	\$180,000	\$180,000	\$6,932,000
FTAs:			
Australia FTA .....	80,317	80,317	6,932,000
Bahrain FTA .....	180,000	180,000	10,441,216
CAFTA–DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) .....	80,317	80,317	6,932,000
Chile FTA .....	80,317	80,317	6,932,000
Colombia FTA .....	80,317	80,317	6,932,000
Korea FTA .....	100,000	100,000	6,932,000
Morocco FTA .....	180,000	180,000	6,932,000
NAFTA:			
—Canada .....	25,000	80,317	10,441,216
—Mexico .....	80,317	80,317	10,441,216
Oman FTA .....	180,000	180,000	10,441,216
Panama FTA .....	180,000	180,000	6,932,000
Peru FTA .....	180,000	180,000	6,932,000
Singapore FTA .....	80,317	80,317	6,932,000
Israeli Trade Act .....	50,000	.....	.....

**25.603 [Amended]**

■ 5. Amend section 25.603 by removing from paragraph (c)(1) “\$7,358,000” and adding “\$6,932,000” in its place.

**25.1101 [Amended]**

■ 6. Amend section 25.1101 by—  
■ a. Removing from paragraph (b)(1)(i)(A) “\$191,000;” and adding “\$180,000;” in its place;  
■ b. Removing from paragraphs (b)(1)(iii) and (iv) and (b)(2)(iii) and (iv) “\$77,533” and adding “\$80,317” in its place; and  
■ c. Removing from paragraphs (c)(1) and (d) “\$191,000” and adding “\$180,000” in its place.

**25.1102 [Amended]**

■ 7. Amend section 25.1102 by—  
■ a. Removing from the introductory text of paragraphs (a) and (c) “\$7,358,000” and adding “\$6,932,000” in its place;  
■ b. Removing from paragraph (c)(3) “\$7,358,000” and “\$10,079,365” and adding “\$6,932,000” and “\$10,441,216” in their places, respectively; and  
■ c. Removing from paragraph (d)(3) “\$7,864,000” and “\$10,079,365” and adding “\$6,932,000” and “\$10,441,216” in their places, respectively.

**PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

■ 8. Amend section 52.204–8 by—  
■ a. Revising the date of the provision; and

■ b. Removing from paragraphs (c)(1)(xx)(C) and (D) “\$77,533” and adding “\$80,317” in its place.  
The revision reads as follows:

**52.204–8 Annual Representations and Certifications.**

\* \* \* \* \*

**Annual Representations and Certifications (Jan 2018)**

\* \* \* \* \*

■ 9. Amend section 52.212–5 by revising the date of the clause and paragraph (b)(26) to read as follows:

**52.212–5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items.**

\* \* \* \* \*

**Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items (Jan 2018)**

\* \* \* \* \*

(b) \* \* \*  
\_\_\_\_ (26) 52.222–19, Child Labor—Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126).

\* \* \* \* \*

■ 10. Amend section 52.213–4 by revising the date of the clause and paragraph (b)(1)(ii) to read as follows:

**52.213–4 Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items).**

\* \* \* \* \*

**Terms and Conditions—Simplified Acquisition (Other Than Commercial Items) (Jan 2018)**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(ii) 52.222–19, Child Labor—Cooperation with Authorities and Remedies (Jan 2018) (E.O. 13126) (Applies to contracts for supplies exceeding the micro-purchase threshold).

\* \* \* \* \*

■ 11. Amend section 52.222–19 by—

■ a. Revising the date of the clause;  
■ b. Removing from paragraph (a)(3) “\$77,533” and adding “\$80,317” in its place; and  
■ c. Removing from paragraph (a)(4) “\$191,000” and adding “\$180,000” in its place.

The revision reads as follows:

**52.222–19 Child Labor—Cooperation with Authorities and Remedies.**

\* \* \* \* \*

**Child Labor—Cooperation with Authorities and Remedies (Jan 2018)**

\* \* \* \* \*

[FR Doc. 2018–01199 Filed 1–23–18; 8:45 am]

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